



To the Honorable Council
City of Norfolk, Virginia

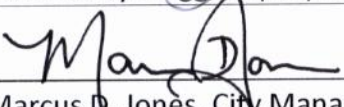
June 14, 2016

From: Christine Garczynski, Director of Finance

Subject: Dissolution of the Municipal
Bond Commission

Reviewed: 
Sabrina Joy-Hogg, Deputy City Manager

Ward/Superward: Citywide

Approved: 
Marcus D. Jones, City Manager

Item Number: **R-27**

I. **Recommendation:** Adopt Ordinance.

II. **Applicant:** City of Norfolk

III. **Description**

This agenda item is an ordinance to repeal Sections 16-177 to 16-184 of the Norfolk City Code to dissolve the Norfolk Municipal Bond Commission (the "Bond Commission"). The Bond Commission was established in 1958 by the City of Norfolk (the "city") and consists of six members appointed by City Council and three ex-officio members (Mayor, City Treasurer, City Manager, and Director of Finance). It was largely established for the purpose of providing guidance on bond financing decisions.

IV. **Analysis**

Bond Commissions, at one time, served as the bond related advisory board to a city, county or state. Overtime, governing bodies have migrated to the use of an independent contractual financial advisor and outside legal bond counsel for the necessary guidance on an array of financial issues which are not necessarily limited to bonds issuance.

The City of Norfolk is no different. The city holds a contract with Public Finance Management, Inc. (PFM) for independent financial advice and McGuireWoods, LLP for legal counsel. The composition of the city's debt profile, along with the complexity of the municipal market has undergone significant changes since 1958. Today's financings are more sophisticated and complex. This is especially true for the City of Norfolk, which employs unique and innovative bond financing techniques throughout its debt portfolio totaling over \$1.2 billion.

The city's independent financial advisor and outside bond counsel provide guidance, legal opinions, document preparation, and the analysis necessary to make sound financial decisions. They also provide industry related updates and assistance in implementing the

latest techniques to minimize costs and legal exposure. In addition, PFM and McGurieWoods have a fiduciary or legal responsibility to act in the sole interest of the city and to provide the best guidance.

Finally, no other city in Hampton Roads utilizes a Bond Commission. All other cities use the services of professional staff and have financial advisors under contract for financial advice and to managing the bond programs.

V. Financial Impact

N/A

VI. Environmental

N/A

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter has been coordinated with the Department of Finance and the City Attorney's Office.

Supporting Documentation from the Department of Finance:

- Ordinance

05/23/16 lds

Form and Correctness Approved: 

By 

Office of the City Attorney

Contents Approved:

By 

DEPT. Finance

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE TO REPEAL SECTIONS 16-177 TO 16-184 OF THE NORFOLK CITY CODE, 1979, SO AS TO DISSOLVE THE NORFOLK MUNICIPAL BOND COMMISSION.

- - -

BE IT ORDAINED by the Council of the City of Norfolk

Section 1:- That sections 16-177 to 16-184 of the Norfolk City Code, 1979, are hereby repealed.

Section 2:- That this ordinance shall be in effect from and after its adoption.